

**WINCREST HOMEOWNERS
ASSOCIATION, INC.**

P. O. Box 2471

Indian Trail, NC 28079

June 1st, 2008

To: All Wincrest Homeowners Association Members

RE: COLLECTION POLICY FOR PAST DUE ANNUAL ASSESSMENTS

The Board of Directors of the Wincrest Homeowners Association has decided that it is most prudent at this time to establish a standard collection policy and procedure for all past due assessment accounts. All HOA assessments, currently \$200 annually, were due on May 31st. To all association members who have paid their annual assessment on time, we thank you. The Board would like to clarify this collection policy and advise all members of the Association that this policy will be effective immediately. The policy and procedures are as follows:

- (1) WARNING LETTER**
- (2) LIEN**
- (3) FORECLOSURE HEARING**
- (4) FORECLOSURE SALE**

The N.C. Planned Community Act effective January 1, 1999, allows a Homeowners Association to proceed directly from the filing of a lien to foreclosure of a home for any amount owed the Association that is 30 days past due. The Board has directed that this procedure be instituted, albeit with some measure of leniency, in the case of all delinquent accounts of Wincrest HOA. As also directed in this Act, the delinquent Homeowner will pay all attorneys expenses and court costs relative to these procedures. Please note as an example, upon filing a lien, the delinquent homeowner automatically becomes responsible for the cost of filing the lien. The Board has retained Weaver, Bennett & Bland, P.A. to handle all collection matters.

Therefore, as set forth in the policy:

All delinquent Wincrest Homeowners will receive (1) Warning Letter from the Board. Effective with the first late payment, a late fee of \$20 will be applied.

The letter allows thirty (30) days for payment directly to Wincrest Homeowners Association, Inc. This thirty (30) day period will be considered a grace period. Any payment received after this thirty (30) day grace period will be subject to late fees.

For overdue assessment accounts that are less than forty-five (45) days past due, the Board of Directors, at its sole discretion, may consider a proposal for a structured payment plan that would include late fees, 18% annual interest, and administrative costs, but is not obligated or required by law to do so.

If full payment is not received within forty-five (45) days of being past due, the outstanding assessment will be handed over to the attorney and a (2) lien will automatically be filed. The delinquent Homeowner will be responsible for late fees, 18% annual interest, and all attorney expenses and court costs associated with the filing of the lien. The delinquent Homeowner will be notified of the filing of the lien and given fifteen (15) days to clear the lien.

The Board of Directors, at its sole discretion, may consider a proposal for a structured payment plan that would include late fees, interest and administrative costs, as well as attorney expenses and court costs, but is not obligated or required by law to do so.

If payment is still not received, a (3) Foreclosure hearing will automatically be scheduled. (4) Foreclosure sale follows the hearing.

From start to finish, the process normally takes seventy-five (75) days to move from Demand letter to Foreclosure Sale. For present Wincrest HOA outstanding accounts, this process has now begun. Unfortunately, due to the dramatic increase in the number of delinquent accounts, the Board has been forced to take a much more aggressive approach in collecting outstanding dues.

Sincerely,

Board of Directors,

Wincrest Homeowners Association, Inc.

P.O. Box 2471

Indian Trail, NC 28079

E-mail: wincresthoa@yahoo.com